NON-PERFORMING ASSETS: 
THE BIGGEST HINDRANCE IN THE PATH OF PROFITABILITY

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ABSTRACT:
A healthy financial system enables smooth flow of savings & investments which is inevitable aspect for the growth of the economy & thereby a country. Effective & efficient allocation of resources becomes important. Maintenance of non-performing asset is an important feature of a healthy financial system. If a financial institution or bank doesn’t keep proper check on the NPAs, it can cause a serious financial burden on them. This paper throws light on the concept of NPAs, causes, & impact of it in the banking context. Movement of gross & net NPAs of scheduled commercial banks has been traced.

KEYWORDS: Non-performing Assets, Profitability, Sub-standard asset, Liquidity.

References:
• http://rbi.org.in